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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re:

Chapter 11

DELPHI CORPORATION, et al.,

Case No. 05-44481 (RDD)

Debtors.  
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**ARC AUTOMOTIVE, INC.'S RESERVATION OF RIGHTS  
RELATING TO DEBTORS' MOTION FOR  
ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 502(c)  
(A) ESTIMATING AND SETTING MAXIMUM CAP ON  
CERTAIN CONTINGENT OR UNLIQUIDATED CLAIMS AND  
(B) APPROVING EXPEDITED CLAIMS ESTIMATION PROCEDURES**

TO THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

ARC Automotive, Inc. ("ARC"), by and through its undersigned counsel,  
responds to the Debtors' Motion for Order Pursuant to 11 U.S.C. §§ 105(a) and 502(c) (A)  
Estimating and Setting Maximum Cap on Cap on Certain Contingent or Unliquidated  
Claims and (B) Approving Expedited Claims Estimation Procedures (the "Estimation  
Motion") as to ARC's proof of claim, as follows:

1. ARC filed Claim #9151 in the total amount of \$1,073,139.28 (the  
"ARC Claim"), representing the prepetition amounts due ARC for goods and royalties due  
under certain executory contracts (the "Agreements") with Delphi Automotive Systems LLC  
(the "Delphi" or the "Debtors").

2. The Estimation Motion is requesting that the ARC Claim be capped at \$925,476.40.

3. ARC and Delphi have previously agreed that the number shown by Delphi on Exhibit A to the Estimation Motion accurately depicts the amount due to ARC for prepetition goods and services provided to the Debtors pursuant to the Agreements.

Therefore, ARC has no objection to the Estimation Motion, nor does ARC have an objection to the amount that the Debtors list as the amount at which the ARC Claim should be capped (the "Capped Amount"). However, ARC asserts and hereby reserves its right to seek additional amounts, over and above the Capped Amount, for cure in the event Debtors assume the Agreements, and for rejection damages in the event Debtors reject the Agreements.

**WHEREFORE**, ARC respectfully reserves the right to seek additional amounts, over and above the Capped Amount, for cure in the event Debtors assume the Agreements and for rejection damages in the event Debtors reject the Agreements, and, asks the Court to provide for such other and further relief as is just and proper.

Dated: New York, New York  
September 19, 2007

**HALPERIN BATTAGLIA RAICHT, LLP**  
Co-Counsel to ARC Automotive, Inc.

By: /s/ Christopher J. Battaglia  
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-and-

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